

*cc: Paul*  
*50130007*

To: Paul Baker  
Utah Division of Oil, Gas and Mining  
Phone 801-538-5261  
Fax: 801-359-3940

From: Scott Higley  
Phone 801 -446-9637  
Mobile 801- 230-0257  
Fax 801-359-3940

Good Morning Mr. Baker I received the notice about the Bond Post 30 day requirement. To be truthful I have been trying to delay this until the end of June when I will be able To pull the money out of my 401k without losing an additional 10%, However I have Really put myself in a pickle here. I have access to 1000.00 right now which I can get Into a dual mine account by Wednesday 3/7/07. With this done would it be possible to Allow me until the 15 of July to get the balance into the account?. This would allow me About 5 weeks from the 7<sup>th</sup> of June 2007 for processing on the 401k. ( it all has to do with when I turn 59-1/2.) This would allow me to fully comply with the reclamation fees Required for the 1 acre or less revised request.

Thank you for your time and trouble. I will call you later today and see what you will Allow.

Scott Higley.

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DIV. OF OIL, GAS & MINING



DEC-18-2006 MON 03:20 PM OIL, GAS &amp; MINING

FAX NO. 801 3940

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Form MR-SMO

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REVISED 2/1/07-SM

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☐ Underground ☒
2. Mineral(s) to be mined: SILVER, GOLD
3. Provide a brief description of the proposed mining operation and onsite processing facilities. TUNNEL SHAFT SEAL-ROD SHAFT ENTRY, DRILL ROCK WEDGE, BREAK PASSAGE, SMALL LAMP BLASTING, REMOVAL BY SMALL PULVERIZER, REPAIR LAMP CABLE, ON WHICH SYSTEM IS BASED. PULVERIZATION OF ROCK BY ROCK METHOD - HAMMER CO., W/D MILL, SMOTHER, OR OTHER PROTECTIVE MEANS OR (CHEMICALS) ARE REQUESTED OR ANTICIPATED. HANDS OF ORE WILL BE HAND BY NOTING (LATER THAN A REPAIR) TOO THIN AT THIS TIME.  
TRAIL ORE DREG HANDS WILL NEED TO BE MOVED. ACCESS WILL BE REQUIRED.  
☒ New Road(s): Length ABOUT 3/4 MI (ft) Width 15-20 (ft)
- ☐ Improved Road(s): Length LESS THAN 1 ACRES - S. MOUNTAIN (ft) Width 15-20 (ft)
- Total project surface acreage to be disturbed: LESS THAN 1 ACRES - S. MOUNTAIN (acres)
- Proposed startup date of project (month, year) AFTER 6-15-01 (Stamp: JUN 2001)
- Proposed completion date of project, if known (month, year) NOT KNOWN

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.

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FAX NO. 801 359 3940

P. 01/02

To: Scott Migley  
Fax: 446-9151  
Phone: 801-230-0257  
Total pages (including this one): 2

From: Paul Baker  
Utah Division of Oil, Gas and Mining  
Phone: 801-538-5261  
Fax: 801-359-3940

Attached is a copy of the page from your small mine notice where it shows the site will be less than five acres. You could cross out this figure and write in, "Less than one acre." You should then initial the change. This will greatly reduce the amount of surety we require.

Assuming you make the change, the surety amount is \$3000.00. This is after checking with our engineer and Dave Herron with the Forest Service.

The surety can be submitted in the form of a certificate of deposit, cash (certified funds which are deposited in an interest-bearing account), a letter of credit, or a corporate surety.

Please contact our bonding coordinator, Beth Erickson, 801-538-5318 or bethericksen@utah.gov, for information about submitting the surety.

This is a message I received from Dave Herron with the Forest Service:

Could you mention to him that he doesn't currently have approval, from the Forest Service, to actually do any additional work at the site. If he isn't planning to do anything in the near future, we would prefer to have him just clean up the site. Otherwise, if he does plan to continue working on that site, then he needs to talk to us about it, and get approval to do so. Unless he just wants to clean up, we need a formal proposal of what he wants to do, and then we need time to evaluate his proposal.

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